

REPORT BY THE
COMPTROLLER GENERAL
OF THE UNITED STATES



Title

CONGRESSIONAL OVERSIGHT
REFORM PROPOSALS

The Chairman, Senate Committee on Rules and Administration asked the Comptroller General to develop suggestions for improving the process by which Congress oversees programs and decides whether programs should be continued, modified or terminated, in recognition of the general objectives and features of the various proposals that are pending in the Congress. This report discusses ways of strengthening the oversight process, particularly the nature of congressional review of broad policy subjects.

We suggest (1) a requirement that over an 8-year cycle programs and activities be reviewed in policy subject areas designated in biennial concurrent resolutions on oversight, (2) a presumption that any program which is not reviewed during the 8-year cycle should be considered for termination, and (3) a mechanism by which individual programs can be designated for reauthorization which are not now subject to the reauthorization process.



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The Comptroller General was asked by Chairman Claiborne Pell on April 19, 1978, to assist the Senate Committee on Rules and Administration to develop suggestions for improving the process by which Congress oversees programs and decides whether the programs should be continued, modified or terminated. The suggestions were to be based on the experience of the Comptroller General and GAO, in recognition of the general objectives and features of the various proposals that are pending in the Congress. This paper was prepared in response to that request.

THE NATURE OF AND RESPONSIBILITIES
FOR CONGRESSIONAL OVERSIGHT

Characteristics of Federal Programs
and Activities

There are vast differences among Federal programs and activities. It appears to be agreed by proponents of various proposals that provision for these differences must be incorporated into an improvement of oversight processes. These differences involve the nature and size of programs, the objectives of the programs and the differing roles of the Federal Government in different aspects of our society and economy.

This diversity is reflected in the 17 functional categories of the budget such as National Defense, Agriculture, Health and Income Security.

The role of the Federal Government and the nature of its involvement varies significantly among the different aspects of our economy and society; they are quite different for defense and international affairs than they are for education and health.

Federal programs and activities also vary widely in the method of carrying out the program, for example direct payments, grants and loan guarantees or insurance.

Size in terms of Federal outlays also varies widely. Defense comprises 22 percent of the Federal outlays. Thirty-six large, well known, nondefense programs and activities comprise another 67 percent, based on fiscal year 1977 actual data. The remaining 11 percent comprises several thousand programs, projects, and activities. Appendix I provides further information and discussion of these differences among Federal programs and activities.

To measure the relative size, cost, and impact of Federal programs and activities, it is necessary to use a variety of measures. Federal outlays are a reasonable indicator of size for most cash assistance programs and revenue foregone is an indicator of the size of tax expenditure programs. However, credit programs (especially guarantees and insurance) are highly leveraged in that the outlays and costs to the Federal Government cover only its losses, whereas the economic and

social impact of having Government backing in the forms of insurance and guarantees is quite significant. Those programs give certain borrowers an advantage in the market. Similarly the dollar outlays for administering regulatory programs and activities are minimal in relation to their economic impact. Thus, many of the measures of Federal activity are associated with measures of similar activities in the private sector and in State and local governments.

Given this wide diversity of Federal programs and activities, there still are similarities and relationships among groups of them, which enable consideration of some systematic features in oversight processes.

Examples of commonalities which might form the basis for various groupings of Federal programs and activities are:

- They may be administered by the same agency.
- They may serve a particular segment of the population or target group, such as elderly, farmers, city residents, and many others.
- They may share the same objectives or support the same mission such as reducing poverty or illiteracy, or strengthening the national defense.
- They may affect (or require the involvement of) a particular professional discipline or specialty such

as oceanography, highway engineering, law, medicine, and teaching.

--They may share similar approaches or means for achieving the objectives, such as direct services through Government-operated institutions, grants to private institutions, cash payments, project grants, credit assistance, and regulation.

--They may share a common Federal funding source and therefore compete most directly in the congressional budget process, for example, public assistance programs which are funded from one appropriation account; or larger groups of activities which are classified in the same budget function (national need category).

--Their statutory authority may be contained in the same broad statute such as the Elementary and Secondary Education Act or the Internal Revenue Code.

Given that there are vast differences among programs and activities but that various groupings of them do share some things in common, how has the Congress approached its oversight responsibilities, and what is in need of improvement?

The Existing Oversight Responsibilities

Congressional oversight is the process by which the Congress learns about the implementation, results, effectiveness and adequacy of its past legislative work, including the policies

implicit in laws and the programs and activities carried out under laws. The Congress has asserted its oversight objectives and mandates in Section 136 of the Legislative Reorganization Act of 1946, as amended, and in House Rule X and in Senate Rule XXV.

In Section 136 of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d), as amended by the Legislative Reorganization Act of 1970 and the Congressional Budget Act of 1974, each standing committee is required to assist the Congress in the

--analysis, appraisal, and evaluation of the application, administration, and execution of the laws enacted by the Congress, and

--formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation as may be necessary or appropriate.

To achieve these objectives, each standing committee is required under Section 136 to "review and study, on a continuing basis, the application, administration and execution of those laws, or parts of laws" affecting subjects under its jurisdiction and to submit, biennially, a report on its oversight activities during each Congress. Each standing committee is authorized to carry out the required oversight by itself, by contract, or

by requiring a Government agency to do so and furnish a report thereon to the Congress.

The House of Representatives in 1974 amended its rules to require the Committee on Government Operations to report and make recommendations on the oversight plans for each House standing committee at the start of each Congress, and to expand the Section 136 oversight responsibilities of its standing committees. Each House standing committee was charged with continuing review and study of

- the effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated;

- any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect thereto), and

--the impact or probable impact of tax policies affecting subjects within its jurisdiction. ;

The 1974 amendment also assigned certain House standing committees oversight responsibilities for policy areas somewhat broader than their legislative jurisdiction.

The Senate amended its rules in 1977 by assigning to certain standing committees comprehensive policy oversight jurisdiction over matters relating to selected broad policy areas (e.g., foreign policy, health, transportation). This authority permits and directs committees to undertake investigations and offer recommendations (but not to report bills unless the rules also grant legislative jurisdiction) in broad policy areas. Such investigations can encompass relevant programs and agencies even though the committee lacks the power to legislate for them.

Thus, under current rules, the standing committees are responsible for reviewing the programs under their jurisdiction, and in many instances, for the review of related programs (including tax policies) in a broader policy context.

Responsibilities for oversight of specific issues can be assigned by the Congress as the issue emerges. For example, in congressional handling of the energy legislation, each House assigned overall policy responsibility and coordination to one committee (an ad hoc committee in the House), while the

legislation affecting individual programs and activities was handled by the committees with legislative jurisdiction. Committees also hold joint hearings, combine staff work in areas of common interest, and defer to each other for policy review.

Notwithstanding efforts over the past 30 years to improve the process, congressional oversight at present tends to be ad hoc, special issue-oriented, and reactive.

This is understandable, because Congress will always have to address issues as they arise as a result of:

- Budget constraints or program cost growth.
- Emergencies, such as natural disasters, international incidents, and economic or labor-management problems.
- An increase in similar constituent complaints, indicating a general problem.
- Emerging socio-economic concerns, such as aging and retirement costs.
- Administration proposals, such as in energy, health insurance, welfare reform, urban or rural policy, and the sale of U.S. made weapons.

Congress cannot control the timing of these issues; they must be addressed when they occur or when they are perceived as having increased priority as a concern of Government.

The existing process has both strengths and weaknesses, deriving from the fact that it is essentially reactive in nature. Its strengths include the ability to focus quickly on problems as they emerge and to recognize problems based on a wide variety of information sources. Because these problems tend to be perceived more widely in the larger programs, most of the large programs receive relatively substantial and continuing attention.

However, there are also deficiencies in this approach. Attention tends to focus on relatively narrowly defined issues in the operations of large or high visibility programs. What receives attention tends to be questions about the operations of programs. This can preclude the opportunity for serious reappraisal of the policies and objectives underlying the programs. Another deficiency is that programs which have little public visibility may receive little attention in the oversight processes. Also, incomplete coverage of the reauthorization process may be viewed as a deficiency, in that a key unresolved issue is the question of what programs not now subject to reauthorization should be made subject to the reauthorization process and how should it be accomplished. It can be viewed also that program evaluations to support oversight have been made more difficult because of a lack

of clarity and specificity and agreement in stating program objectives, criteria and data to be used in oversight. Unfortunately, in many programs, the legislative process does not develop a clear statement of program goals or objectives nor does the subsequent administrative process develop goals of the necessary clarity to serve as the basis for evaluation criteria and data needed for oversight. Differences between the Congress and the executive regarding the program may, in some instances, confuse rather than clarify program objectives.

Improving Congressional Oversight

Efforts to improve the oversight process should recognize the continuing value of reactive and focused inquiry, and also strive to ameliorate the different deficiencies of incomplete oversight coverage, inadequate attention to broad policy issues, incomplete coverage of the reauthorization process, and the lack of clarity and specificity in statements of the objectives of programs and activities.

Various "sunset" and oversight reform proposals have been developed to further and more systematically address the major deficiencies in the existing ad hoc, reactive, special issue-oriented oversight process. In its report on S.2 and S.1244, the Staff Working Group of the Senate Rules Committee stated

"the group focused on two major areas: First, there may be a need to bring some of the less prominent permanent programs into the reauthorization cycle. Second there may be a need to improve the quality of reconsideration of programs by improving the resources and incentives for committees generally to undertake a significant level of program review."

and that

"Specifically, the Staff Working Group concluded that there would have to be a set of procedures which can provide the incentives, resources, and policing necessary to bring about the required reviews."

Some of the current "sunset" proposals are directed--at least in part--to helping Congress maintain adequate attention to broad policy subjects. The Senate Governmental Affairs Committee report on S.2 states that the grouping of programs scheduled for congressional reconsideration is

"one of the two most important elements of S.2 * * *. The Congress seldom steps back to take a look at the entire Federal program effort in a broad policy area at one time. S.2, as amended would require Congress to take such a look, across the jurisdictional boundaries of agencies and committees."

"The Committee strongly believes that this provision is critical to a more orderly and rational process for congressional consideration of national policy issues."

Most reform proposals also explicitly provide for "sunset" or oversight review reports to be jointly referred to or prepared by two or more committees.

The proposals are also directed--at least in part--to helping Congress assure that all programs and activities are covered by the review process. Under S.2, for example, to continue the funding of programs not specifically exempted the Congress would have to reauthorize such programs by dates specified in the law. In the absence of such positive action, the funding of a program would in effect automatically terminate. For a program not subject to S.2's automatic termination mechanism, it would be out of order to consider bills significantly changing the program's funding authority unless the program had been reviewed. According to the Senate Governmental Affairs Committee report on S.2,

"while budget reform has provided a new discipline for consideration of the budget as a whole, it does not provide similar discipline to the way in which Congress considers the individual parts of the budget. Yet in the opinion of the Committee, such discipline is badly needed."

Similarly, the draft resolution prepared by the Senate Staff Working Group would require each Senate standing committee to periodically review all significant programs under its jurisdiction.

The need for clarity and specificity in the statements of objectives of programs and activities is covered by most of the proposed oversight reforms. These proposals would subject bills or resolutions to a point of order if

statements of objectives were not included in the proposed legislation or the supporting committee reports. Specifically, it would be out of order to consider bills or resolutions unless they or the supporting reports contain, among other things:

- Under H.R. 10421, a statement of the specific objectives and planned annual accomplishments of the programs to be authorized and established;
- Under the Senate Staff Working Group's Draft Resolution, the objectives intended to be achieved by the bill or resolution;
- Under S.2, an identification of the problems, needs, or missions that the program is intended to address; and a statement, to the extent practicable in quantitative and qualitative terms, of the objectives of such program and its past achievements and shortcomings and its anticipated accomplishments; and
- Under S.1244, an analysis of the services and performance estimated to be achieved, including an analysis of the objectives intended for the program and the problems or needs which the program is intended to address, based on the bill or resolution as recommended.

GAO SUGGESTED GENERAL PURPOSES AND
RATIONALE FOR OVERSIGHT REFORM

We believe that the general purposes of oversight reform should be accomplished in parallel with the existing ad hoc, special issue or reactive oversight. We believe that current deficiencies in oversight (inadequate attention to broad policy issues, incomplete coverage of Federal programs and activities, incomplete coverage of the reauthorization process, and lack of clarity and specificity in the statements of objectives of programs and activities) can be addressed through establishment of a disciplined process for the oversight and authorization of Federal programs and activities both individually and in the context of broad policy issues.

Problems in the traditional approach to oversight does not mean it is valueless. It is important that Congress remain alert to the existence of operational weaknesses in the high visibility programs. These programs have high visibility because they are important to the public and affect the lives of a great many people. Therefore, efforts to improve the process should be recognized as adding to the process, and should not be accomplished at the expense of existing oversight processes.

General Purposes

The addition of more systematic policy and program level oversight to the existing ad hoc issue-oriented oversight could have several purposes:

- To focus some congressional attention on major national policy directions for the Nation and to the changes it considers necessary to help move the Nation in a new direction to deal with social and economic changes. Congress can focus additional attention on emerging problems or potentials as it has on energy policy and programs and has begun to do on the problems of aging and retirement. Similarly, defense, welfare reform, and health care have received attention at both the policy and program levels.
- To address the interrelationships among programs and activities in the context of national policy subjects. Programs can be mutually reinforcing in accomplishing policy goals. However, they can also be overlapping, duplicative or competing.
- To require that Congress and the executive be clearer and more specific in their statements of the objectives and agreed upon criteria and data for use in oversight of Federal programs and activities.

- To place a greater portion of the congressional oversight workload on a regular schedule, and to systematically review all Federal programs and activities over an 8-year cycle. The workload could be spread over the biennial increments. The 8-year period could coincide with two Presidential terms. If the first period starts with the next Presidential term in January 1981, Congress would have 2 years to develop and dry run the new procedures.
- To mobilize executive agency evaluation resources as well as those of legislative support agencies, to provide the evaluations needed, by providing for more systematic planning of review subjects and lead time through the biennial periods.
- To give greater consideration to the Federal, State and local program interrelationships and relative intergovernmental roles than is usually possible during issue-oriented oversight. These are complex interrelationships politically, legally, administratively, and financially; there are significant differences from State to State, and it would take the long time periods available in a systematic oversight process to analyze policies and programs considering the various governmental roles.

--To provide an action forcing mechanism and incentives to perform reviews (and reauthorization as designated) to instill a degree of discipline in the oversight process and thus to assure that all policies, programs and activities are adequately covered.

This is a very ambitious set of purposes. Enunciating them runs a significant risk either of raising expectations far beyond what is feasible in the near term or of causing an opposite reaction that efforts to achieve them are not practical. However, we believe that these are reasonable goals toward which the Congress should work in its efforts to improve the oversight and authorization process.

Operation of the Process

Overview of the process in operation

A systematic oversight process required to achieve these purposes must necessarily provide both discipline and incentives as well as allow for some flexibility. Discipline and incentives are needed to assure that the required reviews are in fact carried out, that all programs and activities be reviewed and reconsidered at least once in each 8-year review cycle, and that statements of the objectives of programs and activities be clear and specific. Flexibility is needed to provide a relatively balanced workload among committees and agencies and to assure

consideration of priorities for review among programs given the limits on available analytical resources and time available for Congress to consider and decide the issues.

We believe a systematic oversight process must contain discipline and incentives but also should allow flexibility in

- the selection of policy subjects, and the programs related to each subject, for review;
- the scheduling of reviews and the setting of timetables for considering and acting on the results of reviews, including any legislative action necessary for reconciling the recommendations flowing from both the reviews of programs individually and the reviews of programs in the context of broad policy subjects; and
- the choice of evaluation criteria to be used in a review.

We have been attracted to the idea that the review schedule be established in a concurrent resolution. This procedure would allow Congress as a whole to consider, debate, and establish review priorities, schedules and criteria. We believe that the use of a concurrent resolution would also provide the needed discipline. Through a concurrent resolution, Congress (by majority vote) could choose to make use of "action forcing" mechanisms,

including the use of the threat of automatic termination, to make certain that major programs are not overlooked and that the agencies and committees conduct reviews commensurate with the review objectives and priorities of Congress as a whole. The concurrent resolution could be a vehicle to amend the committees' suggested review schedule and priorities if necessary, helping to insure flexibility in the scheduling of reviews and the setting of review priorities in accordance with congressional intent.

The proposed responsibilities and steps in the process are illustrated in Charts 1, 2, and 3, and the general rationale for our process is discussed in the remainder of this subsection.

Relationship of policy, program
and activity, and ad hoc oversight

Chart 1 illustrates the relationship between (1) policy, (2) program and activity, and (3) the existing ad hoc, reactive, special issue-oriented oversight. GAO's suggested 8-year process includes:

1. Provisions for program and activity oversight--to ensure periodic review of all programs and activities.
2. Provisions for policy oversight--to allow Congress biennially, through a concurrent resolution on oversight, to group the review of related programs and activities in policy subject packages.

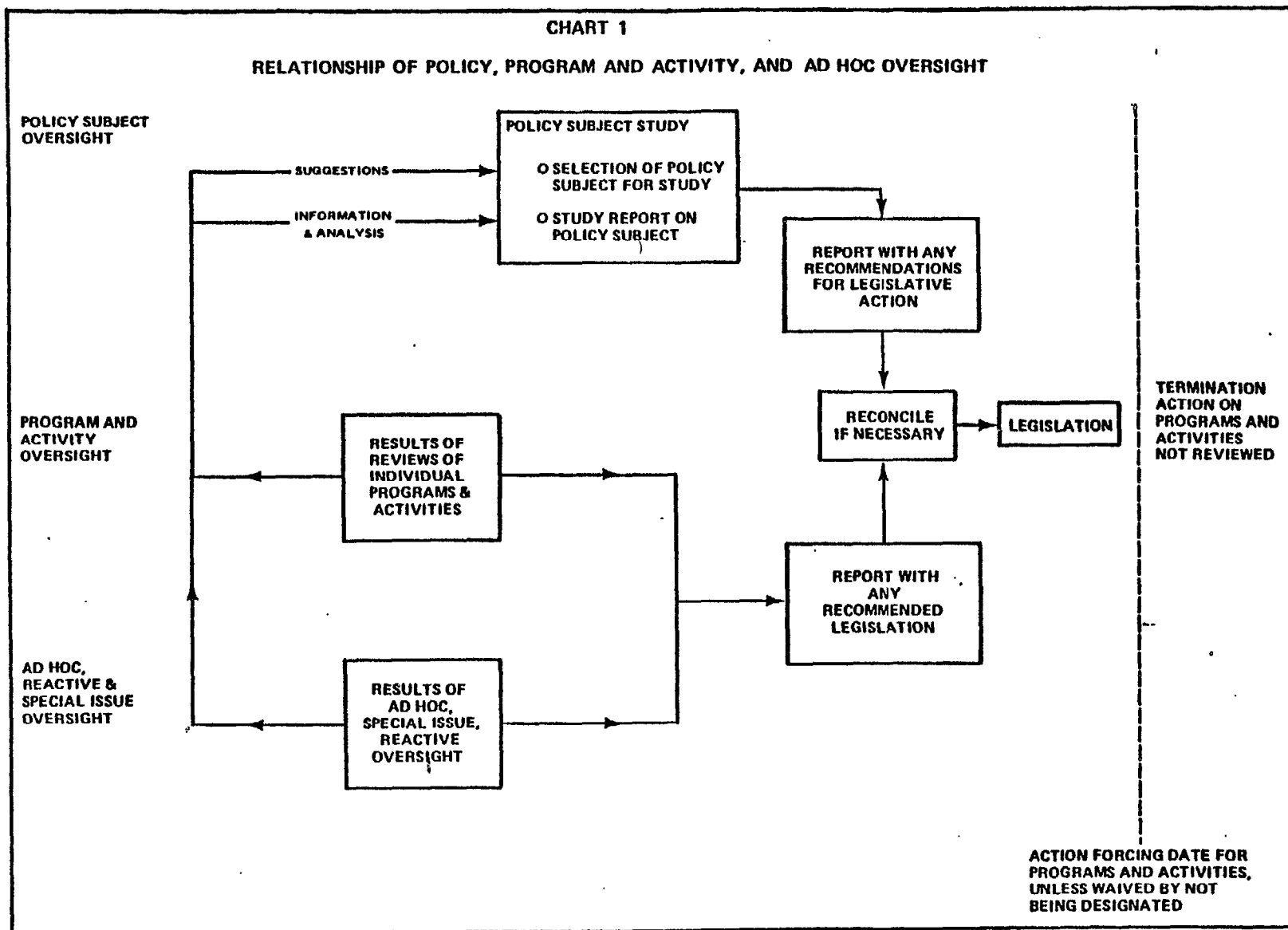
As shown in the upward arrows in the left side of the chart, the results of program and activity oversight and ad hoc oversight support the policy oversight process by providing (1) suggestions for the selection of policy subjects for study and (2) information and analysis for use in policy subject studies. The results of reviews of programs and activities would also be reported in separate (or combined) review reports. Such program and activity review reports as well as any reports on the results of ad hoc oversight would contain any recommended legislation considered appropriate for the programs and activities reviewed, as shown in the horizontal arrows in the lower middle part of the chart. As shown in the downward arrow on the chart, the results of reviews of policy subjects would also be reported by the committee designated to perform the policy oversight, along with any recommendations for legislative action. In cases where the designated policy oversight committee did not have legislative jurisdiction over all of the related programs included in the policy subject study, the recommendations for legislation "action" flowing from policy subject reports might not be identical with the recommended legislation flowing from the ad hoc or program and activity oversight. In such cases, the differences between the recommendations of legislative and policy

oversight committees would be reconciled through existing congressional processes (e.g., discussions among committees with differences and floor debate). We would expect that the need for such reconciliation could often occur, since the review of policy subjects (i.e., the review of related programs or groups of programs in the context of broader policy objectives and national needs) can reveal gaps in coverage which are not apparent when an individual program or activity is considered in isolation.

As shown at the right of Chart 1, action to terminate the funding for any program or activity not reviewed during the review cycle could begin at the end of the review cycle. If an earlier action forcing date were specified by concurrent resolution, the termination process could begin on that date in the absence of a sufficiently complete review. Procedures for such a termination process are discussed later in the subsection on Action Forcing Mechanisms.

Four stages of the process

Our proposal provides that all programs and activities would be reviewed, to the extent possible, in the context of comprehensive policy subjects, over an 8-year cycle covering 4 biennial review periods--4 Congresses and 2 Presidential terms. The first 8-year cycle could start with the 97th Congress



and the next Presidential term in 1981. The 96th Congress could go through a dry run to test the procedures and to perform the tentative planning for the first of 4 biennial review schedules to approximately cover the 97th Congress.

Our suggested process for biennial review contains four distinct stages as illustrated in Chart 2. These include:

- I. Preparation and planning for oversight.
- II. Adoption of the biennial concurrent resolution on oversight.
- III. Review of policy subjects, of programs and activities comprising the policy subjects, as well as other designated programs and activities.
- IV. Termination or continuation of unreviewed programs for which the action forcing mechanism is designated.

Stage I, preparation and planning for oversight, would begin near the end of a Congress and would conclude as early as possible in the first session of each Congress. The Congress would then adopt a concurrent resolution on oversight (Stage II) which would represent the oversight agenda of that Congress, designating policy subjects and the groups of related programs comprising them, as well

CHART 2

STAGES OF GAO'S SUGGESTED 8 YEAR OVERSIGHT PROCESS

	STAGE I Preparation and Planning	STAGE II Adoption of Concurrent Resolution on Oversight	STAGE III Review and Reconsideration		STAGE IV Termination
Policy Subject Oversight	Committees' suggestions for policy subjects and programs and activities to be studied in next Congress and tentative schedules for policy subjects for remainder of 8 year period	Specify policy subjects for study and the programs and activities comprising the policy subject	Submission of policy study reports from executive branch Filing of committee policy study reports with any recommendations for legislative action Reconciliation of policy recommendations and proposed legislation for programs and activities	Stages I, II, III repeated 4 times in each 8 year period	
Program and Activity Oversight	Continuing committee consideration of issues affecting or pertaining to particular programs and activities	Designate programs and activities subject to termination, and action forcing date Trigger reviews of individual programs and activities not included in policy subjects	Filing of committee reports with any recommended legislation for programs and activities Submission of reports on reviews of individual programs and activities from executive branch		Termination action on programs and activities not reviewed, unless such action waived by not being designated
Timing	End of a Congress	Beginning of a Congress	Primarily in the 2nd session of such Congress, but in a later Congress if necessary		After 8 years, or earlier if so designated

as individual programs and activities to be reviewed and reconsidered in Stage III.

For certain policy subjects or programs and activities, of course, where a longer time for review and reconsideration is considered appropriate, Congress could designate a longer review cycle in the concurrent resolution, so that portions of Stage III activities would extend into a future Congress.

Nevertheless, Stages I and II would repeat as indicated and each such increment would result in another Stage III increment. Scheduling during the 8-year cycle would take into consideration that all Stage III activity in the 4th biennium would need to be completed in that Congress. Stage IV would consist of the required action, except where waived in earlier designations, to terminate or continue any unreviewed programs for which an action forcing mechanism has been designated. This action would start in the 9th year (101st Congress), or earlier for any programs or activities so designated. In some cases, Congress might want to set an action forcing date for programs at the end of the Congress in which the concurrent resolution for such programs is adopted. In other cases, Congress might want the general action forcing requirement that all programs be reviewed at least once during the 8-year cycle to apply.

The Highlights of the schedule for the dry run and the first biennial period are:

<u>Approximate Dates</u>	<u>Actions or Event</u>
Enactment - Sept. 1980	<ul style="list-style-type: none">-Dry run of procedures-Establish program and activity inventory.
Sept. 1980 - Dec. 1980	<ul style="list-style-type: none">-Tentative schedule by committees of policy subjects, programs, and activities for first biennial reviews.
Jan. 1981 - March 1981	<ul style="list-style-type: none">-Tentative schedule, as inclusive as possible, for the following three biennial review periods (Congresses) in the 8-year cycle identifying policy subjects likely to be reviewed in each.-Suggestions received from the the President, and others for any policy subject reviews.-Recommendation of a concurrent resolution on oversight, specifying policy subjects to be reviewed, when reviews are to be completed, programs and activities to be covered in each review, and designation, or waivers by lack of designation, of those programs and activities to be subject to reauthorization or termination and the date for each.-Executive and other review sources consider committee guidance in plans for studies and evaluations.
March 1981 - June 1981	<ul style="list-style-type: none">-Debate and adoption of a concurrent resolution on oversight.

July 1981 - Dec. 1982

- Communications among committees and study and evaluation teams.
- Reporting of policy studies by executive and others as requested by committees.
- Committee reports and legislative recommendations and actions.
- Reconciliation of policy recommendations and proposed legislation for programs and activities.

Sept. 1982

- Tentative planning begins for second biennial reviews.

Jan. 1983

- Committee reports incorporated in an official report of each House, designating the programs and activities for which a sufficiently complete review has been conducted.

Jan. 1979 or
earlier if so
designated

- Termination action begins on programs and activities for which reviews and reauthorization have not been completed. (Action could precede this but the review requirements must still have been met at least by this time.)

Major documents required

Chart 3 shows the major documents or reports that would be required at each stage of the process, and who would be responsible for developing and submitting such reports. In the preparation and planning (Stage I) for oversight, GAO and CRS would make suggestions to the standing committees

CHART 3 REQUIRED REPORTS UNDER GAO'S SUGGESTED 8 YEAR OVERSIGHT PROCESS				
	STAGE I Preparation and Planning	STAGE II Adoption of Concurrent Resolution on Oversight	STAGE III Review and Reconsideration	STAGE IV Termination
Congress		Concurrent resolution		Any necessary legislation for termination
The leadership designated for this purpose by each House		Recommended concurrent resolution		
Committees	Tentative oversight plans	Oversight plans	Reports on studies of policy subjects Reports on reviews of programs and activities	For programs and activities not reviewed, bills to terminate unless such action waived
President	Suggestions of policy subjects		Reports on studies of policy subjects	
Heads of agencies			Reports on reviews of programs and activities	
GAO	Suggestions of policy subjects to be studied and programs and activities to be reviewed		Reports as requested on studies and reviews Periodic reports on the coverage of reviews of programs and activities	
CRS	Suggestions for oversight		Reports as requested	

concerning policy subjects and programs or activities which the committees might wish to review and GAO would provide the committees with listings of programs and activities that have been identified as related to the policy subject to serve as a starting point for the committee. The President could also be requested to make, at his discretion, oversight suggestions to the Congress. The standing committees would prepare tentative oversight plans, similar to the plans that would be required under Section 101 of the Senate Staff Working Group Draft Resolution, and publish them before the end of each Congress. The purposes of publishing tentative plans at this early date would be to give as much lead time as possible to agencies who will be required to develop and report evaluation and analysis information on the programs and activities selected for review and to advise the public of Congress' plans.

In Stage II, to be initiated as early as possible in the first session of each Congress, each standing committee would submit its final oversight plans to the leadership designated for this purpose by its House. Such leadership of each House would then report a recommended concurrent resolution on oversight, for consideration by its House, and following such consideration, for adoption (of a conference version, if necessary) by the Congress.

In Stage III, the review and reconsideration of policy subjects, programs and activities, designated by the adoption of the concurrent resolution, would be carried out by the executive branch and the Congress. The President and agency heads would submit reports on their reviews. Standing committees would be responsible for filing review reports on individual programs and activities, and committees so designated in the concurrent resolution would file reports on their review of policy subjects.

In Stage IV, standing committees would be required to report bills terminating funding for the designated programs and activities which have not been sufficiently reviewed. The Congress would then proceed to consider action on such bills, enacting any necessary legislation for termination. (Of course, a committee could recommend continuing a particular program or activity rather than terminating it.)

Selection of Policy Subjects

Flexibility is needed in the selection of policy subjects because of the dynamic nature of policy issues and because of the limitations inherent in any single method of classifying Federal policies and programs. Thus, we do not think it appropriate in new oversight legislation to rely on a single classification method. S.2 would use the budget subfunctions

as the method of classification. That is one useful approach to classification. But there are many other ways of defining policy subjects and assuring that most individual programs and activities are reviewed in the context of these policy subjects. Moreover, individual programs often have multiple objectives which are related to more than one budget subfunction, as well as policy subject.

We believe that the specification of policy subjects--and the set of programs and activities comprising or related to such policy subjects that are to be reviewed together--should depend on the policy issues involved and the objectives of the review. We believe that the congressionally defined policy objectives should dominate the process and that room should be left for reviewing multi-purpose programs in more than one context (policy subject) whenever necessary.

To provide the discipline necessary for carrying out systematic policy oversight, the policy subjects--groups of individual programs and activities comprising or related to the policy subjects--could be suggested by standing committees, the President, and other sources designated by each House at the start of each Congress, and selected by the Congress through a concurrent resolution.

Criteria for Selecting Policy Studies

In selecting policy subjects for comprehensive study and review, we believe committees would want to focus on highest priority policy subjects, considering such factors as the extent to which a policy subject has been examined previously and is in need of being reexamined; the extent to which a policy appears to require significant change; the resources of the committee, legislative support agencies, and executive branch that are or could be, available for undertaking such study and review of a number of policy subjects; and the desirability of examining related programs, activities and policy subjects at the same time. In the event that no policy subjects are selected for oversight by a standing committee, the committee should be required to indicate in its statement the reasons for such a decision. Government Operations Committees could also recommend policy subjects for review by the standing committees as well as any policy subjects they intend to review.

Provision should be made for the President, at his discretion, to recommend specific policy subjects for study and review and identify, to the extent considered appropriate, policy subjects he is already evaluating, for consideration also by the committees and the Congress in establishing the schedule for oversight study and review. Such recommendations

could be included in the annual budget message to the first session of the 97th Congress, and to the first session of each succeeding Congress, and could include supplemental lists of programs, suggested reporting dates, and tentative recommendations for policy subjects to be reviewed during future Congresses (in the 8-year cycle).

Scheduling of Reviews

In scheduling reviews, Congress needs to account for differences in the nature of programs and activities under review, type and intensity of the desired review, the availability of resources and existing information for making the review, and the need for (or the availability of) time and resources for considering and acting on the results of the review, especially given the requirement that all programs and activities are to be reviewed at least once in each 8-year period.

For most policy subjects and programs, it should be possible to conduct and consider the reviews within one Congress (2 years). In some cases, however, more time may be needed for developing the necessary information for answering the Congress' questions concerning a program, for considering the results of the review, and for developing a consensus on recommended legislation for the policy subject or program reviewed. (For example, a social experiment might be needed and could require several years, and

consideration and consensus building on energy policy has taken over a year since the President's proposals were made.)
Statements by Committees of Oversight Plans

In our suggested approach, each standing committee would develop tentative oversight plans at the end of the 97th Congress and each succeeding Congress. Based on these tentative plans, early in the first session of the 97th Congress and of each succeeding Congress (preferably by March 15) each standing committee of the Senate and House of Representatives would submit to the leadership designated for this purpose by its House, a statement identifying specific policy subjects on which it intends to perform policy oversight. The statement would contain:

1. A list of the programs and activities comprising each policy subject package, to be reviewed in the context of the policy subject. This portion of the plan would include any changes required in the tentative lists reported at the end of the prior Congress.

2. Suggested action forcing dates for programs and activities in the policy subject packages, if considered necessary and appropriate, to force reauthorization action on programs and activities in that package, following completion of the policy oversight.

3. Choice of a reporting date (discussed separately) for submission of a report from the President on the policy subject and the individual programs and activities comprising the policy subject package.

4. A listing of the other individual programs and activities the committee intends to review during the current Congress (programs and activities not included in a particular policy subject package).

5. To offer enhanced opportunities for program analysis, evaluation and review, a tentative schedule of the policy subjects and, to the extent feasible, a tentative listing of the programs and activities the committee intends to study and review during the remainder of the 8-year cycle. These would be updated for coverage during the next Congress in the tentative oversight plans of committees reported at the end of each Congress. Committees could be given the option of including this future tentative schedule for policy subjects in their tentative plan at the end of the prior Congress, so that these final plans could cover only the Congress in which issued.

6. Estimated timetable for consideration of the Presidential reports and filing of committee policy oversight reports.

Reports Accompanying Statement of Oversight Plans

Because a major reason for "Sunset", and oversight reform proposals has been the growing concern about rapidly expanding Federal, State, and local budgets, levels of funds should be an important criteria in selecting policy subjects and policy review packages. Therefore, we believe committee reports accompanying their statement of oversight plans should contain the level of funding, amount of credit guaranteed, or change in tax revenues associated with each program and activity in the policy subject for (one to three) past years, the current year, and to the extent available, projections for future years. The best estimate available of State and local additions to these funds should be included.

For each policy subject, committees may want to consider including specifications such as:

- The need for surveys including surveys of public perceptions of success of activities, of the type contained in a particular policy subject package, to provide for the recognized public need.
- Where individually identified evaluative data is prescribed, consideration should be given to the conditions under which such data is obtained, maintained, and transferred.

--Responsibility for coordination, such as a lead agency, of evaluations of individual programs and activities within policy subject packages, which are in process at various times, in various agencies, to be most useful in developing the review report.

--A statement of reasonable expectations regarding the policy study and review report expected. For example, reasonable expectations in a review dealing with educational programs might be specific achievement data, consideration of alternative measures of achievement, and measurement of alternative educational methods. Much less precision and specification would be likely in the case of drug abuse activities on which evaluators must attempt to gather very personal and confidential data outside of the administrative system associated with the activities.

Scheduling Reports by Executive Branch

GAO believes more than 1 year is needed for a high quality study and review of most policy subjects. However, for policy areas in which the committees propose and the Congress concurs, to take legislative action during the current Congress, possible alternative reporting dates include:

- the dates of submission of a current services budget in the first session, or ;
- on or before December 31 of the first session of such Congress, or
- on or before the 15th day after Congress meets in the second session of such Congress (to coincide with submission of the President's budget).

Realistically, however, it will be very difficult for the executive branch to meet deadlines such as these with a high quality report unless the requirements are communicated (at least informally) before the beginning of the first session of that Congress.

For policy areas in which the Congress and the executive branch need more time to conduct reviews and take legislative action, special reporting dates will have to be established and included in the oversight plans and resolutions. Longer time periods may be needed, for example, where State and local participation is involved. States and localities are required to perform a substantial amount of federally aided evaluation either under provisions of the authorizing legislation or under executive branch regulations. Efforts should be made to assure, wherever possible, that this work is available in usable form for the Congress' oversight process.

Reporting and Consideration
of Concurrent Resolution

The leadership designated for the purpose by each House, would be required either to

- (1) recommend a suggested policy oversight concurrent resolution based on its review of the suggestions of the President and others, and the plans of standing committees of its House, including the designation of programs and activities subject to action forcing dates, or
- (2) incorporate without substantive change all of the statements submitted by the standing committees of its House in a policy oversight concurrent resolution for consideration by its House.

Each such resolution could be reported with or without recommendation not later than a specified date, perhaps April 15, through the use of procedures similar to the ones set forth in Title III of S.2 and in Title III of the Congressional Budget Act of 1974. This would have the effect of providing congressional approval to the oversight plans of standing committees, making the conduct and completion of the review a congressionally sanctioned requirement of the Congress as a whole. (One possibility would be to make this a part of the first concurrent resolution on the budget of

the first session of each Congress. However, this approach runs some risk of overburdening the budget resolution process, which must move on a very rigorous schedule. As an alternative, we suggest that preceding adoption of the first concurrent resolution on the budget, each House proceed to the consideration of the policy oversight concurrent resolution.)

The report accompanying the resolution should list the individual programs within the policy subject package and, in particular cases where Congress considers it appropriate, any policy issues and alternatives which the Congress would like to have examined. This would help to focus congressional and executive branch study and review efforts.

The concurrent resolution itself would specify the policy subject, executive and legislative reporting dates and suggested action forcing dates for programs and activities except those for which a waiver is granted from such consideration. If the Congress was not able to develop and adopt a list of the policy subjects and a tentative schedule for their review, before the beginning of the first 8-year period, provision could be made for the budget subfunctions to automatically become the controlling categories for

scheduling and assuring coverage over the review period, as is done by S.2. However, as discussed in the later subsection on How the inventory would be developed maintained and used, we believe that for control purposes, alternative lists will be feasible in time to begin the first 8-year cycle on an improved basis.

Special rules relating to the consideration by the House and the Senate of the concurrent resolution on policy oversight, including limits on debate, similar to the provisions of Section 305 of the Congressional Budget Act of 1974, could be used to ensure expedited action by a certain date while allowing ample time for debate and the offering of amendments. Such provisions could also apply to consideration of conference reports on this concurrent resolution. Further discussion of the action forcing aspects of these procedures is contained in a later subsection on Action Forcing Mechanisms.

Both the items included and the schedule for each comprehensive policy study and review could be viewed as a guide to the scheduling by committees of individual program reviews and evaluations which may be incorporated into the review of the entire policy subject. Recognizing that there are evaluation needs other than those of the

Congress and its committees; it should still be the intent of this legislation that national policy subjects be considered also in the design and scheduling of the individual evaluations, including evaluations performed by agencies, Federal contractors and grantees, or others as requested or required. It is through the consideration of evaluations and other data from diverse interest groups, competing programs, different geographical areas, and other sectors that the maximum objectivity can be achieved in reports to the Congress on the policy subject packages.

Review Criteria and Reporting Requirements

Review criteria for policy oversight

Each review of a policy subject designated in the concurrent resolution should include, at a minimum, information and analysis sufficiently complete to permit a determination as to whether conditions or circumstances in the policy area indicate the necessity or desirability of enacting new or additional legislation, along with appropriate recommendations. A rationale for these general criteria and more detailed discussion is contained in a later subsection on Specification of Program Objectives and Evaluation Criteria and Guidelines.

In cases where greater specificity is desired, the review of a policy subject could also be required to include information and analyses to permit a determination as to whether (1) the effectiveness of the Federal Government in the policy area, including services, programs, functions and activities of the Federal Government, may be increased by changing the structure and execution of administrative responsibilities in such areas; (2) the efficiency of the Federal Government in the policy area can be improved through the elimination of needless duplication or overlap, the consolidation of similar services, programs, activities, and functions and the termination of services, programs and activities which have outlived their intended purpose; and (3) it is necessary or desirable to modify the Federal role in the policy area in relation to other levels of Government and the private sector. For policy areas in which there is significant participation by other levels of Government, these determinations may require information to be developed in the review regarding

--the responsibilities of each level of Government in the policy subject;

- the manner and alternative means for each level of Government to finance such responsibilities associated with the types and amounts of intergovernmental aid and aid to segments of the private sector; and
- the policy and organization required for proper balance and division of respective Federal, State, and local government roles, to achieve the objectives, both public and private in the policy subject.

Other policy areas might require different sorts of information to be developed. In the area of international economic cooperation, for example, it would probably be appropriate to take into consideration the roles, responsibilities and activities of other governments and of the various international organizations.

Report submission by executive branch
on policy subject study and review

For each policy subject designated in the policy oversight concurrent resolution, the President would submit to the Congress, in line with the schedule specified in the policy oversight concurrent resolution, a report containing the required information and analysis and the results of his review of the policy area along with any recommendation relating to the policy area which he deems appropriate. Reporting by committees is discussed later in the subsection on Committee consideration.

The Congress may wish to provide also for periodic, summary level reporting on individual policy subjects and major programs and activities. These are discussed in more detail in the later subsection on Annual Reports by Executive Agencies.

Required review and evaluation reports on individual programs and activities within the policy subject could be submitted either with or before the President's reports on the policy subject studies and reviews. The head of each agency administering any such program or activity could be required to carry out, or cause to be carried out, the required reviews and to submit a report containing the required evaluation information, either directly to the Congress or through the President.

Congress has for a number of years incorporated legislative language in acts authorizing programs and activities which require the responsible executive agency to perform evaluations. This language has varied from simple requirements that the programs be evaluated to fairly extensive statements affecting the type of measurements and evaluation designs which should be used. Some of these individual

requirements may be duplicative of evaluation requirements in the oversight legislation and may no longer be necessary. However, the Congress may wish to retain specified detailed evaluation criteria in the individual acts or to augment these criteria, specifically to provide for their oversight of the individual programs and activities. When they do so, however, the Congress should be careful to avoid establishing conflicting requirements which could cause confusion on the part of those required to perform the evaluations.

Committee consideration

Each committee conducting oversight of a policy subject would submit a report containing the required information and analysis, together with its recommendations, to the Senate or the House of Representatives, or both. The date for submission of each committee report could be set in the concurrent resolution, or a general reporting timeframe could be specified in the oversight legislation (e.g., 6 months, 1 year, etc., after receipt of the executive branch study). In any event, reports would need to be submitted before the end of the 8-year cycle to avoid subjecting programs or activities to the termination mechanism, except for any for which it was waived. The

reports would be published as an official report of the appropriate body, and, in the case of study and review conducted by a committee for both bodies, such report should be published as an official report of both bodies.

Acceptance and publication of these official reports would represent concurrence by the respective bodies to satisfy the individual review requirements of programs and activities included in the policy subject package.

Specification of Program Objectives and
Evaluation Criteria and Guidelines

A major issue in the consideration of "sunset" and oversight reform proposals involves the specification of program objectives and evaluation criteria and guidelines. Specific program objectives coupled with evaluation criteria and guidelines can help assure meaningful review. However, if the criteria and guidelines are specified in too much detail, it could preclude the flexibility necessary for (1) tailoring studies to the nature of the program or policy under review; (2) making most efficient use of the available analytical resources and of the time available for Congress to consider and decide the issues; and (3) avoiding the waste associated with unnecessarily detailed or rigorous studies. The approaches of S.2, S.1244, House Rule X, and the results of our work with

Senator Leahy on oversight process improvements, suggest ways of resolving these conflicting objectives.

S.2--except for programs selected for comprehensive evaluation under the procedures in Title III--does not spell out elaborate criteria for program review. Instead, Section 3(a)(6) of S.2 defines sunset review in terms of the objectives of the review (i.e., to enable Congress to determine the future status of an existing program). "Sunset review" is defined as the consideration of "whether the merits of the program justify its continuation rather than termination, its alteration, or its continuation at a level less than, equal to, or greater than the existing level."

S.1244 provides in Section 5(e) that the "report of a committee on its analysis, appraisal, and evaluation shall be sufficiently complete to permit a determination as to whether a program should be terminated, modified, or continued without change," and allows for the inclusion of nine other more detailed evaluation criteria if considered necessary and appropriate.

Similarly, House Rule X calls for review and study of "conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation," and of the effectiveness of laws and programs to

determine whether such laws and programs are implemented "in accordance with the intent of Congress" and whether such programs should be "continued, curtailed or eliminated."

Defining evaluation criteria in terms of the objectives of the review process (as S.2, S.1244 and House Rule X do) provides a large measure of the necessary flexibility for tailoring the type and depth of reviews to the type of decisions to be made and the information requirements of the individuals who will make the decisions. However, discipline is also needed to assure that the types of reviews expected by Congress are actually conducted and reported to the Congress.

The "sufficiently complete" criterion in S.1244 provides some of the needed discipline in reviews and evaluations. Clear statements of program objectives, as required by various proposals, aid in establishing the needed discipline. We believe also that each review of a program and activity should include information and analysis on the actual costs, results and effectiveness of the program or activity which is sufficiently complete to permit a determination as to

--whether the program or activity is being implemented and carried out and is performing in accordance with the intent of the Congress; and

--whether such program or activity, or the laws affecting such program or activity, should be continued, modified, or eliminated.

Our recent report entitled Finding Out How Programs Are Working: Suggestions for Congressional Oversight, developed in response to a request from Senator Leahy, lays out an approach for achieving additional discipline that may be needed to assure that review results are commensurate with the information needs of those who will use the results. Under this approach, those who will use the results of reviews have a responsibility to communicate their review questions, such as program objectives which are to be considered, and other information needs as clearly as possible to those conducting or reporting the results of the review. If necessary and appropriate, there can be progress reports and opportunities for followup discussions, during the course of the review, between the producers and users of review results. Such discussions would be aimed at reaching mutual understanding on the specific objectives of programs and on the type and depth of review needed to meet the "sufficiently complete" review criterion.

Additional discipline would be provided by the public exercise of the oversight process according to certain

self-imposed timetables, schedules, and processes-- analogous to the congressional budget process. Of course, the Congress, through a variety of sanctions, always has the power to force compliance with review requirements, ultimately through further legislation.

Guidelines on methods for the evaluation of particular programs and activities could be developed pursuant to the responsibilities given to GAO by Title VII of the Congressional Budget Act of 1974, which requires that "the Comptroller General shall develop and recommend to the Congress methods for review and evaluation of Government programs and activities carried on under existing law." GAO has developed overall guidance under this authority in the form of Evaluation and Analysis to Support Decisionmaking, issued in 1976, which also supplements GAO Standards for the Audit of Governmental Organizations, Programs, Activities, and Functions, issued in 1972. The GAO is continuing its work under this mandate and is available to assist committees either by providing advice on appropriate methods for evaluating particular programs or by assessing evaluation approaches suggested by executive branch agencies. In addition, GAO will publish, from time to time, guidance on the use of particular evaluation methods, on the use of certain analytical tools

(such as computer-based models) and on the choice of policy instruments to achieve program objectives. This guidance should be helpful to the committees in specifying appropriate criteria for reviews to be conducted by the various agencies and in assessing the quality of the results.

Action Forcing Mechanisms

In our view, the principal ingredient necessary to assure careful reexamination of existing policies and programs is the commitment of the Congress to that objective. Without that commitment, any action forcing mechanism would become an illusion. If the legislative commitment exists, any action forcing mechanism is probably not necessary.

Termination as an action forcing mechanism

Recognizing the importance of commitment, the requirement that Congress take a positive action in order to continue a program, and that all programs be subjected to that requirement, can still serve two valuable purposes. Both are related to the deficiencies in the oversight process discussed earlier. First, if the requirement is universal, it assures that the lower visibility programs do not entirely escape review and reconsideration. Second, if the review schedule is built around coherent and comprehensive policy subjects, it

provides a relatively easier mechanism for modifying or eliminating programs which are least effective in achieving overall policy objectives. In addition, it may lead to more intensive analysis of program objectives and impacts, if the threat of termination is considered to be credible.

These values, however, are difficult to achieve, and there are also some serious potential problems with automatic termination. First, it is very difficult to make the threat of termination a credible one. There are a number of Federal activities for which termination is just not a feasible course of action. (Social security, interest on the public debt, operation and maintenance of the defense establishment, consular and diplomatic activities overseas, etc.). These activities should be subjected to rigorous policy and program review--just like every other part of Government--but with a view to modification and improvement, rather than with the idea that they might be terminated.

When the threat of termination is not credible, it adds nothing and seems likely to cause the analysis to focus on the wrong questions. One of the serious difficulties with the concept of automatic termination lies in the matter of sorting out the activities for which it is credible and in connection with which it therefore might contribute to a more

disciplined review process.' We doubt that this sorting out process can work in a rigid manner, and therefore believe the Congress should allow itself considerable flexibility in deciding how to apply automatic termination and to which programs.

A second risk of automatic termination concerns the potential for the President or a determined minority within the Congress to prevent the continuation of a program which the Congress as a whole wishes to continue. This risk, of course, is particularly present in those proposals which would require the enactment of a statute in order to continue a program, thus making the continuation decision subject to various possible impediments, including the President's veto power. This too, argues for the Congress retaining considerable flexibility in applying automatic termination.

Having said this, however, we believe that some forms of automatic termination can serve a useful role with respect to programs for which it is a credible threat:

- It can serve as a disciplinary device to assure that those programs are not entirely overlooked.

- It can serve as a disciplinary device to assure that the review of those programs is sufficiently thorough.

--It can ease the political difficulties of terminating programs for which that is determined to be an appropriate course of action. That is, it is easier to terminate a program when that can be accomplished through inaction than when it requires a positive action to accomplish the same end.

These factors lead us to the view that improvements in the oversight process should include machinery for automatic termination, but that the machinery should retain--within the Congress--the power to decide when, and with respect to which programs, it should be invoked. In addition, however, we believe the power to invoke--or waive--the automatic termination process should be vested in the leadership designated in each House for this purpose outside the authorizing committee and should be subject to review by the full membership of the two bodies.

It appears to us that it would be possible to develop such a mechanism by modifying the rules of the Senate and the House, perhaps along the following lines:

--An appropriate group could be given the power to designate in the recommended concurrent resolution those programs which are to be subject to automatic termination and the date upon which the termination mechanism would begin (if before the end of the 8-year cycle) if not

reviewed and the power to alter or amend those designations as circumstances warrant. Provision could also be made to alter or amend the designation in the concurrent resolution by a majority vote of both House and Senate.

--Reports filed by committees on the policy subject studies or specific program or activity reviews which they believe meet the "sufficiently complete" requirement, should clearly specify the programs and activities the committee considers reviewed. The reports should be submitted for review to the leadership designated for this purpose. If accepted by such leadership, the programs and activities would be considered "reviewed".

--Periodically during the 8-year cycle the responsible committees (and affected agencies) could be advised of programs designated for automatic termination that had not been reviewed, and reminded that, in the absence of positive action to review the program, action to terminate it will begin after the end of the 8th-year.

--The rules could provide that after the end of the 8th year (or any earlier date adopted in the concurrent resolution on oversight), in the absence

of such review action a mechanism similar to the reconciliation process in the Congressional Budget Act, Section 310(c), would take effect, as follows:

- . It would be out of order to consider any bill or joint resolution containing additional spending authority or other funding provision for the program, or additional tax expenditure provisions;
- . The appropriation committees would be directed to report promptly a bill or joint resolution rescinding any unused obligational authority;
- . The committees with legislative jurisdiction would be directed to report promptly a bill or joint resolution repealing any unused backdoor spending authority (including such provisions as authority to guarantee loans); and
- . The Ways and Means and Finance Committees would be directed to report promptly a bill repealing any tax provisions comprising tax expenditure programs.

Under this approach, the group which is empowered to designate programs for the automatic termination process will have substantial influence, but we believe the safeguards against irresponsible action are adequate. First, the designations themselves could be overruled by a majority vote of the two bodies. Second, even after the process of automatic termination has begun, it could be reversed by

positive action to reauthorize the program. The principal safeguard, however, would be contained in the fact that the Congress, itself, retains full control over the decision to invoke the automatic termination mechanism. Among other things, this means that the decision to invoke it would represent a credible threat, one which is likely to elicit more than a pro forma response.

Other action forcing mechanisms

If a sufficiently complete review as a basis for automatic termination is considered inadequate congressional action, then the Congress could require that during the 8-year or a longer period all or selected programs and activities, especially those permanently authorized, be reauthorized.

If automatic termination is considered too severe or unwieldy for particular programs and activities as an action forcing device, another "review" action forcing device would be to preclude consideration of a bill or resolution (or amendment thereto) which would significantly change budget authority or outlays for a designated program or activity unless the required review has been completed. The leadership designated for this purpose could also be empowered to designate programs and activities subject to this review forcing device, which could be made a part of the concurrent resolution on

oversight. The mechanism could be applied similarly to tax expenditures.

Another action forcing device is to limit the periods of authorization. This device is contained in Section 401 of H.R. 10421 (the Derrick Bill) which limits authorizations for the enactment of new budget authority, or new or increased tax expenditures, to a maximum of 5 fiscal years. S.2 would limit authorizations for the enactment of new budget authority to a maximum of 6 fiscal years.

S.1244 provides a similar alternative by limiting the authorization period for enactment of new budget authority to a maximum of 4 fiscal years, unless the committee reports a resolution waiving the limitation and the reasons why a waiver is necessary. In order for a waiver to be granted, the report accompanying the bill or resolution containing proposed authorization periods longer than 4 years must contain a schedule of the committee's oversight hearings to determine progress being made toward the intended objectives of the program. Such a limitation on the period of authorizations of new budget authority or new or increased tax expenditures could be set at 8 years or longer, to fit with the general objective of getting every program and activity reviewed at least once in each 8-year or longer review cycle.

Coordination Among Committees

Agency programs are reviewed by sets of several committees of both Houses including Appropriations, Government Operations and Budget Committees in addition to committees with authorizing jurisdiction. Two examples of overlaps in jurisdiction over programs funded by the same appropriations accounts--one in each House--serve to illustrate the need for coordination among committees.

--Three Senate committees have legislative jurisdiction over programs funded by the "Resource Management" account (10-18-1611) of the U.S. Fish and Wildlife Service. The Committee on Commerce, Science and Transportation reviews matters relating to marine fisheries while the Committee on Environment and Public Works has jurisdiction over fisheries and wildlife. In addition, the Energy and Natural Resources Committee has legislative jurisdiction for two laws (P.L. 88-577 and P.L. 95-42) which authorize programs under this account.

--On the House side, in the "Research, Engineering and Development" account (21-20-8108) of the Federal

Aviation Administration, authorizing jurisdiction over P.L. 91-258 is shared between Science and Technology Committee and Public Works and Transportation Committee. The Science and Technology Committee has broad jurisdiction over research and development accounts, while the Public Works and Transportation Committee has broad jurisdiction over transportation including operation and maintenance, research and development, and equipment and facilities.

In addition, it should be recognized that because many programs have more than one policy objective it may be appropriate to include an individual program or activity in several policy level review packages.

In these cases, where more than one committee of the Senate or the House of Representatives have legislative jurisdiction over a particular program or activity or, more frequently where responsibility for an overall policy area is shared, the responsible committees should be encouraged to conduct the oversight--particularly the policy oversight--jointly or jointly determine which committee should take the lead in conducting the oversight for its body.

In order for the oversight process to operate most effectively, provision could be made to permit the committee(s) of the Senate and the House of Representatives having legislative jurisdiction over programs and activities in the policy subject package to conduct the oversight jointly when they choose to do so or to permit one committee to conduct the oversight for both Houses. Under this arrangement, for example, committees which share responsibility for a policy area (either within one body or between the two bodies) might spread the workload by dividing up the review of individual programs while conducting the policy level oversight on a joint basis.

The Nature and Role of an Inventory
of Federal Programs and Activities

The availability of a comprehensive inventory of Federal programs and activities will be essential to the effective operation of the oversight process. An inventory is required to serve as the necessary substructure both for the comprehensive policy review process and for the systematic review of individual programs and activities. The Congress needs a complete inventory of the programs and activities it has authorized, including exercises of

the Federal taxing power and other activities that do not have directly associated Federal expenditures. Most of the oversight reform proposals contain some provision requiring that inventories or program catalogs be developed, although there are some differences on how the inventories would be developed and maintained, how many programs they would contain, and how the inventories would be used.

Need for a single inventory for oversight

We have noted that there is a growing number of program structures, lists, or inventories. A requirement that each committee would be assigned responsibility to develop its own inventory of the programs under its jurisdiction could result in an enlargement of the number of inventories and structures, with the distinct possibility of the same programs being given different names by different committees.

As previously noted, agency programs are reviewed by several sets of committees of both Houses including Appropriations, Government Operations and Budget Committees in addition to committees with authorizing jurisdiction. There is also some jurisdictional overlap between the authorizing committees.

What is needed is a single inventory of Federal programs and activities that would provide the necessary "common language" to enable the committees and the two Houses of Congress to communicate with each other, executive agencies, and others outside the Federal Government. The inventory would be arranged in various ways, by policy subjects, budget functions and national needs, committee jurisdiction, agency, etc.

Requirement that the oversight inventory
be separate from the budget process

We believe that the oversight inventory (and the products which it generates) should be designed explicitly to support the oversight process. It is important that there be links to the data systems used in the budget because certain information will appear in both. However, we recommend that the two systems (or sets of systems) be kept separate. It may be technically feasible to construct a single system serving both processes, but we believe it would be neither necessary nor efficient to attempt to do so at this time. A single system would be extraordinarily complex. It would be difficult to build in both the flexibility to adapt to an evolving oversight process and the responsiveness needed to serve the budget and appropriations process. However, every effort should be made to establish commonality or where commonality

is not practicable, crosswalks between the program inventory and the budget classifications and structures.

What Information the Inventory Would Contain

The inventory maintained should contain for each program and activity such basic information as:

- An identification of the program or activity and its purposes.
- The provision of law establishing the program or activity.
- The organizational identification including executive agency and legislative committees.
- Budget and fiscal data.
- The year the program was established and when it expires.
- The policy subjects in which the program or activity may be considered or is scheduled to be covered (for use in oversight planning).
- The studies and reviews in which the program or activity was covered (for use in designating those subject to termination if not reviewed).

Information also should be maintained (to the extent feasible) to help identify related Federal programs and similar programs or activities at the State and local levels and in

the private sector. However, information on these interrelationships, particularly with regard to programs not funded at the Federal level, does not now exist in any generally accessible form. There is a need for information on the levels of spending under these related programs, but there is no regular reporting to the Federal Government. An approach to acquiring or estimating data on these levels needs to be developed.

It should be noted that there are activities which cannot be defined as programs and therefore will not appear in any program inventory because they are created within the discretionary authority given to executive agencies. These should be included in policy subject packages by definition or by title (if known) if the results are relevant to the consideration of alternative policy instruments to meet the need, issue, or mission covered in the subject. Examples would be pilot and demonstration projects and research activities or projects which are intended to test the delivery of a service through some new method, treatment or procedure.

How the inventory would be developed,
maintained and used

The initial inventory could be created from an existing data base developed by GAO in cooperation with the authorizing committees and executive agencies over the past 3 years. During that time GAO developed program and budget information,

with the cooperation of the executive agencies, for a selected number of authorizing committees for use in preparing their views and estimates on the Federal budget. Out of this work has grown a data base that contains more than 6,000 entries which represent a large part of the Federal laws and sections of law that authorize Federal programs and activities. This data base is not complete, and it does not represent a program and activity inventory, as such. For example, it does not currently contain any tax expenditure data. However, it does contain a significant part of the information necessary to develop a comprehensive program inventory, including linkages of the authorizing legislation to dollar amounts authorized, budgeted, and expended. Further development would continue to be based on existing program listings and inventories, including the GAO data base of authorizing legislation, the program and activity structure used by the Office of Management and Budget, and executive agency budget and accounting systems.

It would be necessary to work closely with the various congressional committees--budget, appropriations, government operations and authorizing--to assure that, insofar as possible, their individual information needs are met.

It would also be necessary to (1) coordinate with OMB and the executive agencies to minimize the changes to existing information structures and systems, and any chance of adverse impact on persons outside the Government who must provide input to these systems, and (2) cooperate with the interested congressional support groups so that the program inventory can be integrated into their information and reporting systems.

The Government-wide program inventory would be developed during the dry run period prior to the beginning of the first 8-year cycle, concentrating initially on the relatively small number of major programs with high dollar outlays and on those programs and policy subjects which the committees indicate would be subject to review early in the 8-year review period.

Initial drafts of the program inventory would be made available to each congressional committee and all other interested parties early in the second session of the 96th Congress (the second year of the dry run period). Each committee would be asked to suggest any changes it believes would be desirable in the programs in its jurisdiction or in which it has an interest. Each committee also would be free

to add the names of important programs it believes were omitted from the inventory. With this input, a revised program inventory would be prepared which would be formally transmitted to the Congress. This would be the official inventory for purposes of the oversight process to begin the following year.

One of the most difficult parts of the job of compiling the inventory will relate to the identification of program purpose. For many programs, the statements of purpose in the law are either too vague and general to be useful or do not exist at all. Clarification of the purposes of these programs is likely to require an iterative approach involving the relevant congressional committees and the responsible agencies in the executive branch. The various participants in the process may well have divergent views about the purposes of a program. Reconciling these views into a single statement of purpose(s) is likely to be difficult and time-consuming, particularly if it is attempted to make the statement sufficiently specific as to be useful for the oversight process. It may not be possible to have the inventory fully complete in this regard for several years. Accordingly, as with the inventory as a whole, it would be necessary to concentrate initially on the larger programs and on those programs and policy areas

which seem likely to be subject to review at an early point in the 8-year cycle.

The inventory would be updated as frequently as feasible with the assistance of the committees and the executive agencies to reflect changes in programs and activities caused by new laws enacted and other events having an impact on the data in the inventory. Biennially, a revised program inventory would be formally transmitted to the Congress. The committees would be given an opportunity to comment on the revised inventory in draft. After formal transmittal, further changes could be made only to reflect official actions of the Congress--new programs created, programs changed, or the congressional oversight agenda adopted.

The inventory of programs and related information would be maintained in an automated data base. All interested parties would have full access to the information, consistent with (1) existing laws pertaining to privacy, confidentiality, and protection of national security data, (2) agreements with executive agencies on protection of data--such as budget estimates--prior to its public release, and (3) agreements with individual committees on protection of data maintained for that committee alone.

Among the specialized lists that might be produced periodically for use in the oversight process are:

- Listings of all programs and activities that relate to a broad policy subject to provide committees a starting point for developing the scope of the comprehensive policy studies.
- Listings for committees showing the status of reviews for the programs and activities under their legislative jurisdiction.
- Listings by budget function or subfunction of authorized programs and activities that they fund.
- Listings for individual programs and activities that would include (1) basic descriptive information, (2) a display of the programs and activities in the structure used for budgeting, i.e., the function and subfunction and appropriation account categories, and (3) identification of the various interrelationships and multiple purposes of programs and activities, to the extent committees have identified these or provided criteria for doing so.

Such lists could be useful to people working in both the oversight and budget processes, to identify the program and activity components of groupings such as functions, subfunctions, and comprehensive policy subjects. There will be one major difference in the nature of such groupings. In the budget, each program and activity can be counted only

once, thus each is assigned to only one subfunction. In oversight, a program and activity may well be included in several comprehensive policy studies, or reviews.

Role of the Program Inventory as a Check
on the Integrity of the Oversight Process

The program inventory would serve as a source of information for the leadership designated for this purpose to determine which programs have been or are scheduled to be reviewed within the 8-year period. The inventory would be readily available to this leadership. There would be a data element for each program which would show whether the program has been reviewed, when it was last reviewed, and/or when it is scheduled for review. Exception lists would be made available at the time the concurrent resolution is under consideration so the necessary data would be made available to verify the completeness of the oversight agendas proposed by all the committees. The leadership designated for this purpose would also have the information needed for its decisions on initiating the termination process for programs not reviewed in the 8-year oversight period.

Annual Reports by Executive Agencies
on Policy Subjects and Major Programs and Activities

Above we have provided for the reporting by the executive branch on their suggestions for and the results of their reviews, studies and evaluations of policy subjects, programs

and activities. In addition the Congress, particularly the authorizing committees, need periodic, brief reports that would display for each policy subject and the major Federal programs and activities a few key indicators of conditions such as:

- Funding levels of programs in the policy subjects.
- Related social and economic conditions.
- Summary workload, performance and accomplishment data.

The brief annual reports, besides allowing committees to monitor conditions in the policy subjects over time, would serve two important purposes:

1. They could help committees in their biennial preparation and planning for oversight.
2. They could assist committees, particularly authorizing committees, in carrying out their responsibilities in the congressional budget process.

These annual reports could help in the selection of topics for evaluation in the concurrent resolution. For example, policy subject indicator data could highlight apparent problems in the policy subjects, indicating the need for further reevaluation of programs in the policy subject.

The reports could also be used by authorizing committees in focusing and initiating their analysis of the funding levels for the next budget cycle in considering the President's

annual budget recommendations, and in developing their annual views and estimates reports.

H.R. 10421, the proposed Legislative Oversight Act of 1978, includes a requirement for such "continuing information." Specifically, it requires, in section 102, that:

"On October 15 of each year, each agency administering a program established under legislation enacted pursuant to section 101 shall submit, through the Director of the Office of Management and Budget, a brief report to the Congress on the extent to which the program, including the activity or activities comprising such program, is meeting the specific objectives and planned annual accomplishments set forth in the authorizing law. Such reports shall emphasize, to the extent practicable, quantitative measures of program costs and accomplishments, including comparisons of costs and accomplishments between the program set forth in the authorizing legislation and other governmental and nongovernmental programs having similar or related objectives. Reports may also contain such additional information on costs, accomplishments, and deficiencies as the head of the administering agency may deem appropriate. In order to assist the Congress in determining whether programs should be reauthorized, modified, or discontinued, the agency report submitted in the year preceding the expiration of a multi-year program authorization shall summarize significant findings in each annual report submitted since the authorization was enacted."

The sponsors of H.R. 10421 have emphasized that the reports be brief, that it is important to guard against precipitating a flood of paperwork as a result of this reporting requirement, that the reports should address the specific

questions that the authorizing legislation requires the agencies to answer, and that the reports should focus on the few key measures which will tell Congress whether the program is working as intended. We have tried to incorporate this emphasis on brief reports containing indications of policy and major program accomplishments in our proposal.

Under our suggested process, tentative committee oversight preparation and planning would take place before the end of each Congress. Under the annual budget process, authorizing committees (having the earliest reporting requirement--March 15) need to begin their preparation before the end of each session of Congress. This suggests a need for providing the annual summary level reports sometime in the Fall.

Perhaps the "current services budget" required under Section 605 of the Congressional Budget Act could be reoriented to provide this type of information.

The current services budget includes projections of budget authority and outlays required to continue Federal programs and activities in the upcoming fiscal year without policy changes from the fiscal year in progress at the time the estimates are submitted. The current services estimates are intended to provide a basis for review of the President's budget. These estimates are required to be

submitted by November 10 in order to provide the Congress with early information on projected costs of current programs. However, the OMB and the Appropriations, Budget, and Joint Economic Committees have found that when the current services estimates are transmitted approximately 3 months before the President's budget, the economic assumptions underlying them are likely to be different from those in the budget because of changes in the economy during the intervening period. Therefore, for the fiscal year 1979 budget, these committees have agreed to a 1-year experiment in which the current services estimates were transmitted with the President's budget, and therefore, were based upon the same economic assumptions.

If the current services estimates continue to be incorporated in the President's budget, an annual report on policy subjects and major programs and activities could be substituted in the Fall. If the current services budget is reinstated as a Fall report, a separate report could be made or the current services budget could be expanded to meet the needs of authorizing committees for information on policy subjects and major programs and activities.

If the Congress desires to have relatively standardized information on the regulatory, privacy and paperwork impacts of programs and activities comprising a policy subject, it would be our suggestion that this be included also in this sort of annual report. We believe this would provide the most efficient method for obtaining such estimates and would not burden the staffs producing reviews of program performance with including such estimates in each review report.

Resources Required

It is clear that the total resource requirements to perform the reviews envisioned by various oversight reform proposals will be substantial. Whether or not this represents mostly new resources or a different utilization of resources in both the legislative and executive branches depends upon whether the needs of the Congress can be specified clearly enough and scheduled so that some of the existing resources can be reoriented to meet part of these new needs. We believe our suggestions would establish a basis for such reorientation so that the new resources required can be more specialized and can be utilized most efficiently.

However, it should not be expected that all of the analytical and evaluative resources of the executive and legislative branch agencies would be available for meeting these new needs. Among the Congress' own needs will be the

requirement to continue supporting the ad hoc, special issue, reactive component of the oversight process. As we indicated earlier in this paper, we believe it is important to continue that work, and resources are required to support it.

Within the executive branch, reviews conducted to meet the needs of the Congress are likely to prove useful, particularly to the President, OMB, and other top level policy-makers. But this will not be sufficient to meet the full range of executive branch needs. This is particularly true of the need for evaluative information aimed at improving the internal operations of agencies, programs, and activities. That is currently the focus of a large part of the evaluation work in the executive branch and we would expect substantial evaluation activities to be continued to meet those needs.

There are three major requirements for the most effective linkages of executive agency evaluation to congressional needs:

--A recognition by the Congress, its committees, legislative support agencies, and various executive departments' and agencies' evaluation functions, of the different needs to be served.

--Adequate communication at the analytical level, sometimes in technical terms, to interpret the intent of statements by committees in analytical terms and to enable evaluation staffs to explore alternative methods which will best meet congressional oversight needs. This requires that an effective interdisciplinary analytical communication must take place in both directions.

--Agency evaluation processes should be improved to provide for both legislative and executive evaluation needs. The GAO performs appraisals in the agencies to identify the best evaluation methods and practices, and examples of reports produced. GAO will also perform demonstrations of improved methods in its program reviews. This effort, coupled with GAO's day-to-day experience in assisting committees will result in further recommendations by GAO of the best evaluation methods to support congressional oversight.

With improvements in these areas, the resources required to carry out a stronger, more systematic oversight process can be held to a minimum. Realistically, however, we must recognize that this minimum may still involve a significant increase over the present level of effort in both the legislative and executive branches. In effect, that is one of

the prices which must be paid if the Congress is to have the quantity and quality of analysis needed to exercise comprehensive oversight of our Government. The extent of the increase cannot be reliably estimated at this time because of the many uncertainties. In part, it will depend upon the scope, depth, and frequency of congressional oversight. But it will also depend upon the ingenuity of information system designers and evaluation designers in developing efficient data bases and reporting systems which are adequate to meet the full range of review and evaluation requirements of decisionmakers at all levels and the public generally. These data bases and reports on reviews should be publicly available and therefore have other benefits commensurate with these costs, unless limited by provisions of the privacy law, national security classifications, or for the duration of agreements reached between the legislative and executive branch on temporary restrictions of preliminary data.

Differences Among Federal Programs and Activities

There are differences among Federal programs and activities. These differences involve the nature and size of programs, the objectives of the programs and the differing roles of the Federal Government in different aspects of our society and economy.

This diversity is reflected in the 17 functional categories of the budget: Defense, International; General Science, Space, and Technology; Energy; Natural Resources and Environment; Agriculture; Commerce and Housing Credit; Transportation; Community and Regional Development; Education, Training, Employment, and Social Services; Health, Income Security; Veterans Benefits and Services; Administration of Justice; General Government; General Purpose Fiscal Assistance; and Interest.

The role of the Federal Government and the nature of its involvement varies significantly among the different aspects of our economy and society, such as defense, space, education, and policy and fire protection.

Federal programs and activities also vary widely in the method of carrying out the program, including:

--Direct Payment Programs--Financial assistance from the Federal Government provided directly to individuals, private firms, and other private institutions.

--Trust Fund Programs--Programs carried out for specific purposes according to terms of a trust agreement or statute, such as social security and unemployment trust funds.

--Grant Programs--Formula grants to States or their subdivisions and project grants including fellowships, scholarships, research and construction grants.

--Loan Guarantee and Insurance Programs--Guarantees and insurance of commercial loans, notably in housing.

--Direct Loan Programs--Loans to businesses and individuals including student loan programs.

--Procurement Programs--The acquisition of capital equipment such as weapon systems, space vehicles, communication systems, electric power generators, and specialized production equipment, as well as the purchase of services and supplies.

Size in terms of Federal outlays also varies widely.

Defense comprises 22 percent of the Federal outlays. Thirty-six large, well known Federal nondefense programs and activities comprise another 67 percent of Federal outlays based on fiscal year 1977 actual data. The remaining 11 percent comprises several thousand programs, projects, and activities. Following are the major items:

Selected retirement, disability and health
insurance programs

	<u>Billions</u>
1. Federal old age and survivors insurance	\$ 73.5
2. Federal hospital insurance	15.2
3. Federal disability insurance	11.6
4. Civil service retirement and disability	9.6
5. Military retired pay	8.2
6. Federal supplemental security income program	5.3
7. Railroad retirement	3.8
8. Disabled coal miners	<u>1.0</u>
Total major retirement, disability and health programs	<u>\$128.2</u>

Selected employment and unemployment programs

9. Unemployment compensation	\$ 14.1
10. Employment and training assistance	3.3
11. Temporary employment assistance	<u>2.3</u>
Total major employment and unemployment programs	<u>\$ 19.7</u>

Selected veterans benefits and services programs

12. Compensation and pensions	\$ 9.0
13. Medical care	4.3
14. Readjustment benefits	<u>3.7</u>
Total major veterans benefits and services	<u>\$ 17.0</u>

Billions

Selected family and low income assistance programs

15. Aid to families with dependent children	6.3
16. Medical payments	9.9
17. Social services	2.6

Subtotal for public assistance:	\$18.8
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18. Food stamps	5.4
19. Child Nutrition	2.6
20. Subsidized housing	2.4

Total major family and low income assistance	<u>\$29.2</u>
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Selected state, community and regional assistance

21. Payments to state and local government fiscal assistance	\$ 6.8
22. Highway program	6.0
23. Waste water treatment works construction	3.5
24. Elementary and secondary education and impact aid	3.2
25. Higher education	2.9
26. Community development grants	2.1
27. Anti-recession fiscal assistance	1.7
28. Urban mass transit	1.7
29. TVA	<u>1.1</u>

Total major state, community and regional assistance	<u>\$29.0</u>
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	<u>Billions</u>
<u>Other major government operations</u>	
30. NASA	\$ 3.9
31. Commodity Credit Corporation - Price support and related programs	3.8
32. Postal service subsidy	2.3
33. Revenue collecting and audit	1.8
34. FAA operation	1.5
35. Coast Guard	<u>1.2</u>
Total other major government operations	<u>\$14.5</u>
36. Net interest on the public debt	<u>29.7</u>
Total net interest on the public debt	<u>\$29.7</u>

	<u>Percentage</u>	
TOTAL NONDEFENSE MAJOR PROGRAMS FROM ABOVE (including military retired pay).	67	\$ 267.3
ALL OTHER NONDEFENSE	11	45.3
NET OUTLAYS - DEFENSE (except military retired pay)	<u>22</u>	<u>89.3</u>
TOTAL NET OUTLAYS	<u>100</u>	<u>\$401.9</u>